(b) and (c) Do not arise.

Reduction in the rate of interest for rural electrification work by REC

1869. SHRI K.B. KRISHNA MURTHY: Will the Minister of POWER be pleased to state:

(a) whether the government of Karnataka has sought for a reduction in the rate of interest for rural electrification works by Rural Electrification Corporation to 7.5 per cent;

(b) whether this reduction was sought because of remote location of unelectrified hamlets/villages with no corresponding return on huge capital outlays; and

(c) whether the centre has issued any directive to Rural Electrification Corporation to examine the issue?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) Rural Electrification Corporation (REC) is a financial institution. The rate at which it lends money depends on the cost at which REC is able to raise funds. REC has reduced interest rates on its loans to Power Utilities by 2% during this financial year. Interest rates presently applicable vary from 10% for Dalit Basti schemes to 11.5% for System Improvement Schemes.

Reducing the cost of power supplied to the consumers in Karnataka

1870. SHRI K.B. KRISHNA MURTHY: Will the Minister of POWER be pleased to state:

(a) whether the Government of Karnataka has sought a reduction of rate of return on equity of Centrally owned generating stations to reduce the cost of power supplied to the consumers;